



CALPEEK

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GOING AFTER THE WORKERS' COMP CROOKS.

Editor's note: In last week's story about the CA Economic Summit, we quoted insurance executive Stanley Zax as asking the question, "Why is it that the TV shows (Prime Time/60 Minutes) can find the workers' comp fraud crooks, but the police can't?" This week CALPEEK will provide some answers...

...Until Jan. 1, 1992, workers' comp fraud was **not** a felony crime. But thanks to State Sen. Robert Presley's SB 1218, that changed. Law enforcement sources told CALPEEK that until the law was amended, **no one** was making a major effort to catch the WC fraud crooks. In other words, Mr. Zax, the cops weren't even looking for these criminals...

...What agencies are now going after the WC fraud crooks? The investigations, which can take anywhere from 2 months to a 1 year to complete, are best handled by the Dept. of Insurance and the 58 county DAs. The major police departments and county sheriffs, including the LAPD, just don't have the technical experience nor the resources to handle WC fraud. Nor does the CA Dept. of Justice (AG's office). The only police agency which got involved, the CA Highway Patrol, had a special unit to probe insurance fraud, but its funding was **cut** in the recent budget battles...

...Where is most of the WC fraud taking place? In L.A., Orange and San Diego Counties, but other parts of the State are not immune. And what's also of interest is that some of the major players in WC fraud are also involved in auto insurance fraud --- especially WC & auto fraud rings operated by lawyers and doctors, according to sources...

...So what's happening now? In addition to making WC fraud a felony, SB 1218 also appropriated money to help fight WC fraud crime. The money was suppos-

ed to come on line by mid July of 1992, but didn't get down to the local level until October. So, Mr. Zax, that's another problem. From the start of 1992, the L.A. DA had only two people assigned to WC fraud. In July, two more were added --- and when the funding was finally approved, 5 more were added. It's a similar story in Orange County...

...The biggest hike in personnel will be in the Dept. of Insurance. With about 800 WC fraud case referrals each month, in Jan. of 1992, the DOI had just 16 investigators. With the new funding, DOI will hire 44 more, some from the CHP's old fraud unit, sources say. Is it paying off? In 1992, some 24 suspects were busted in connection with \$100 million in WC fraud claims by DOI investigators. The prosecutorial success rate in past cases, according to sources, is close to 95%. Is this enough? No way, especially for a crime which kills 60,000 jobs and costs \$1-2 billion a year. Stay tuned...

L.A. MAYOR'S RACE: TRYING TO CATCH MIKE WOO

Editor's note: With about 51 days to go before the April 20th election, most insiders still place L.A. Councilman Michael Woo as the *frontrunner*. The rest of the field is playing catch up. Here's our update...

● **Michael Woo** - The joke making the rounds at City Hall these days goes like this: "Knock-knock. Who's there? Woo. Woo who? Don't *cry*, he's not mayor yet." Corny, but the point is that lots of people are beginning to take shots at Woo. Why? Because despite his 20-27 points in various polls, many think that Councilman Woo's support isn't that deep and he may be vulnerable on key issues. And the last several weeks haven't exactly been great for Woo, either. His campaign donations are under investigation; the L.A. Times has finally started to correct its previous **pro-**

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Woo bias in its reporting; and Woo's luck ran out when the mayoral candidates drew for spots on the ballot. His name will be toward the end of the ballot. Regardless, Woo is still the acknowledged **frontrunner** and seems to be doing well in his attempt to capture what's left of the old *Bradley Coalition* - Blacks, Jews and the Westside liberals...

- **Richard Katz** - The assemblyman must lead a charmed life. Just when it looked as though his campaign might be stalling, Katz drew the 1st spot on the ballot --- ahead of Woo, Richard Riordan and Councilman Joel Wachs, the other top contenders. This bit of good news has given a lift to his supporters. In addition, Katz has picked up several key *law & order* endorsements: former State Senator and LAPD chief Ed Davis; former deputy LAPD chief Dan Sullivan; CA Organization of Police & Sheriffs; CCPOA; and Candy Lightner, who now heads a crime victims' PAC. With this kind of support, which is especially important in the vote-rich and more conservative San Fernando Valley, Katz has been hammering at Woo's *opposition* to the **death penalty**. This doesn't have a thing to do with being mayor, but it plays well with many L.A. voters. Still, Katz has a long way to go to make a runoff, but things are looking brighter...

- **Joel Wachs** - Many insiders believe the veteran councilman is doing much better than expected. But like Woo, Wachs finds himself under a cloud for giving away limited edition artwork to \$1,000 contributors. The campaign fundraising gimmick is under investigation by the L.A. City Attorney. Like Katz, in recent weeks he too has been after Woo. What's most surprising about Wachs is the broad range of support he has attracted: Jews, his Valley base, pro-Daryl Gates supporters, the arts/entertainment community and gays. Will it be enough? Perhaps...

- **Richard Riordan** - The candidate with the deep pockets has signs up all over the place --- even in areas that aren't part of L.A. City. In addition, he recently mailed out his booklet, "Turning L.A. Around." It makes for interesting reading --- if voters will spend the time and actually read it. And sources report that Riordan should be on the air soon with TV. That's the good news. The bad news is that Riordan isn't very charismatic and isn't cutting it on the stump...

- **Linda Griego** - The question insiders and others are asking is whether the former deputy mayor has the depth and experience to be mayor of the nation's second largest city? Except for a city hall news conference to announce fairly old and not very surprising news (she got the endorsement of Emily's List and other women's groups), she has been rather low keyed in recent weeks. Sources think she has a long way to go before making a runoff, but she is a *major factor* in the race because she tends to take votes away from all of the top tier candidates-- especially Woo...

- **Nate Holden** - Councilman Holden does very well in public forums and is a very savvy politician. But like Woo and Wachs, he too has come under a cloud on campaign donations. But that's really minor compared to the **sexual harassment** allegations, suits and counter-suits. Most CALPEEK sources agree that Holden's odds of making a runoff have been substantially dimmed by these unproved allegations...

- **Nick Patsaouras** - His is the last name on the ballot --- which is better than being stuck in the middle of a large field. Patsaouras is on TV and radio with a feel-good message. Its aim is to build up name ID and image. Does "the man with the plan" (that's one of his slogans) have a shot? A long shot, but if people listen they'll discover Patsaouras is no flake...

- **Stan Sanders** - Like Patsaouras, Sanders is a long shot, but this former Rhodes Scholar does have an interesting message and like Griego, he will play an important part in this campaign. Griego, Sanders, Holden and Woo are all fighting to win over the *Bradley Coalition*. Sanders cuts into Woo, especially in the Black community. To make an impact, he'll need funding --- and that's the key question in terms of Sander's candidacy. Can he raise the bucks???

- **The Others** - Former deputy mayor Tom Houston, former L.A. School Board member Julian Nava and outgoing Councilman Ernani Bernardi don't have a shot at winning, but are factors in that for every vote they get, it's one less for a frontrunner. All 3 hurt the Valley candidates - Riordan, Katz and Wachs. Stay tuned...

L.A. MAYOR'S RACE: PUBLIC FORUMS & DEBATES.

Editor's note: If you want to see the candidates for L.A. Mayor in action, here is a list of forums and debates that are taking place during the first few weeks of March...

...**Mar. 2**, Tarzana Property Owners Assn., El Caballero County Club 8 p.m. --- **Mar. 4**, L.A. Business Journal & L.A. Commercial Real Estate Assn., Inter-Continental Hotel 4 p.m. --- **Mar. 4**, Encino Property Owners Assn., Encino Community Center 7:30 p.m. --- **Mar. 6**, U.S. Rep. Maxine Water's Community Forum, Kinsey Auditorium in Exposition Park 1 p.m. --- **Mar. 11**, Central City Assn. forum, Inter-Continental Hotel 11:30 a.m. --- and **Mar. 16**, Temple Morgan David, 9717 W. Pico Blvd. 7:30 p.m. FYI: Assemblywoman Paula Boland(R-Granada Hills) has invited all mayoral candidates to present testimony at a public hearing on breaking up the L.A. school district - 10 a.m. to 2 p.m., **Mar. 12**, at the Airtel Plaza Hotel, Van Nuys. Stay tuned...

L.A. MUNI ELECTION: BALLOT MEASURES ON TERM LIMITS AND HIRING MORE POLICE ARE KEY ISSUES.

Editor's note: There are 5 ballot measures which will face L.A. City voters on April 20. Measure 3 deals with fire & police pensions, while Measure 5 concerns the animal regulation commission. CALPEEK will report on Measures 1, 2 & 4...

● **Measure 1** - There's no doubt that CRIME is a key issue in this upcoming municipal election. And combined with the federal Rodney King trial and the events which grew out of the 1992 riot, you'd think that a measure to add another 1,000 police to the LAPD by hiking the property tax would be a top priority for the city council. And remember, Measure #1 is the son of Measure N, which just lost last November. It got a 63% yes vote, but needed a 2/3rd vote for approval. Councilman Marvin Braude is in charge of putting a campaign together, but so far --- nada, zip, zero. There isn't anything as of Feb. 24 that resembles a campaign. No campaign chairpersons, manager, warchest or blue ribbon committee. If LAPD Chief Willie Williams wants more cops, he'd better light a fire under Braude. Joel Fox of the Howard Jarvis Taxpayers Assn. is leading the NO on 1 forces under the banner of the old No New Taxes Cmt., which remained in operation after last November. Most of councilmembers are in favor

of #1, but there is some opposition: Councilmembers Ernani Bernardi, Hal Bernson and Joan Flores are opposed. Betting is that Measure #1 is once again doomed to miss the magic 2/3rds vote...

● **Measures 2 & 4** - Measure 2 is the council's **term limit** proposal, while Measure 4 is the initiative on term limits by Mayoral candidate Richard Riordan. Both impose a 2-term limit on the mayor, city attorney, city controller and councilmembers. The key difference is the start-up period. Riordan's plan would give councilmembers in even numbered districts one more term, plus the two years now left on their current term - a total of 6 more years. The council version gives the even numbered councilmembers two more full terms --- or a total of 10 more years in office. It seems likely that one of these two term limit plans will pass and perhaps both, meaning that the one which gets the most votes takes effect. Neither side has money, so there won't be much of a campaign. Stay tuned...

L.A. MAYOR'S RACE: CAMPAIGN PHONE NUMBERS.

Editor's note: Need to reach some of the major candidates running for Mayor of Los Angeles? Here are the phone numbers of the serious contenders:

Ernani Bernardi	(213)485-3671
Linda Griego	(213)381-1687
Nate Holden	(213)937-2454
Tom Houston	(213)935-6800
Richard Katz	(818)385-2475
Julian Nava	(213)936-7165
Nick Patsaouras	(818)757-1355
Richard Riordan	(818)995-9881
Stan Sanders	(213)380-5246
Joel Wachs	(213)628-9779
Michael Woo	(213)626-5573

SCAG ANNUAL GENERAL ASSEMBLY SET MAR. 11th.

The So. Calif. Assn. of Governments(SCAG) will hold its annual General Assembly convention Mar. 11-12 at the Raddison Hotel & Convention Center in San Bernardino. Theme for this year's meeting is "Economic Recovery for the Southland." The keynote speaker at the Mar. 11 banquet will be former U.S. Sen. Eugene McCarthy. For info about the SCAG event, contact Fernando Del Rio (213)236-1885...

FRESNO MAYOR'S RACE COMES DOWN TO WIRE.

Editor's note: Fresno Mayor Karen Humphrey faces 14 challengers on Mar. 2, in what might prove to be one of the more interesting elections in Fresno. Here is our update...

...To have 14 challengers about says it all. Mayor Humphrey is in the fight of her political life and there are some sources in Fresno who say it's possible she may not make it to a runoff. Of the 14 rivals, only two are considered serious: religious broadcast executive Jim Patterson and Councilman Brian Setencich...

...Patterson is a *fresh face* in Fresno politics, while Setencich is Fresno's answer to Ross Perrot. He is excellent on the stump and is known for his many "NO" votes on the city council. All three have potential problems. Humphrey is getting bashed with all the anti-incumbent stuff (*beating up on city hall*); questions have been raised about Patterson and the religious right; while Setencich has had some campaign reporting problems. Despite these warts, some observers think it is possible that the runoff may be between Patterson and Setencich. Patterson has spent about \$70,000 on TV, which buys lots of time in Fresno...

...The key issue is **crime**. And tied to crime is a ballot measure to repeal section **809** of the city charter, which is a formula for setting the salaries of **public safety employees**. This is not a new issue for Fresno voters and in fact they voted 3 times in the past to keep this formula for setting police and fire pay. The last time it was voted upon, in 1988, voters reaffirmed 809 by a 60% to 40% margin. Odd as it may seem, just about all candidates running for mayor and council want to repeal 809. But they will be up against a \$100,000 media campaign --- paid for by police and firefighters. Stay tuned...

CALPEEK'S ETCETERA: POLITICAL SHORT TAKES.

Editor's note: Here are a few political items worth noting...

- **San Diego Special Election** - Atty. Juan Vargas defeated 8 other challengers to win a special San Diego City Council election on Feb. 16 to fill the unexpired term of Bob Filner(D), now serving in congress. Vargas ended up with 29.4% of the vote, while one of the early favorites in the race, attorney Mike Aguirre, got 22.9%. It also was a big win for The Primacy

Group, who managed the Vargas campaign. What Primacy Group owner Larry Remer liked best was the fact that he defeated his former partner, Tom Shepard, who ran Aguirre's campaign...

- **Change In Status for GOP Choice Group** - Calif. Republicans for Choice, founded by Harriett Stinson, has folded its L.A. office and has returned to being a task force within the moderate GOP volunteer group, the Calif. Republican League(CRL). Stinson, sources say, has moved back to Idaho. However, the CA Republicans for Choice - PAC (CRC-PAC), is still in business...

- **White House's CA Ambassador** - When CALPEEK ran that story about Tom Epstein leaving CA Insurance Comm. John Garamendi's staff to work for WH political director Rahm Emanuel, we forgot to mention that Epstein's key job will be keeping Pres. Clinton and the WH clued in on what's happening in Calif. - which is why Epstein has been tagged as the CA Ambassador...

- **Wilson Recall Flops** - Two independent recall efforts aimed at removing Gov. Pete Wilson(R) apparently won't qualify --- according to CALPEEK sources. The two groups merged their operations, but that wasn't good enough. Mar. 18 is the last day these recall activists have to collect 923,937 signatures. The key problem - as always - is funding. Stay tuned...

MARKETPLACE NETWORK

- **Needed Immediately:** Full-time public relations person for political/public affairs consulting group in Orange County. Must have political/organizational skills, some college journalism and experience. No calls. Send resume: 2081 Business Center Drive, #190, Irvine, CA 92715...

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